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FIRST HOSPITAL SERVICE DISTRICT
OF THE PARISHES OF
ST. LANDRY AND ST. MARTIN

FINANCIAL REPORT

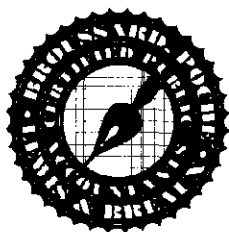
JUNE 30, 2006

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/24/07

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BROUSSARD, POCHÉ, LEWIS & BREAU, L.L.P.

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Retired:

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Leon K. Poché, CPA 1984
James H. Breau, CPA 1987
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George A. Lewis, CPA* 1992
Geraldine J. Wimberley, CPA* 1995
Lawrence A. Cramer, CPA* 1999
Ralph Friend, CPA* 2002
Donald W. Kelley, CPA* 2005

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Commissioners
First Hospital Service District of the
Parishes of St. Landry and St. Martin
State of Louisiana
Arnaudville, Louisiana

We have reviewed the accompanying basic financial statements of First Hospital Service District of the Parishes of St. Landry and St. Martin, State of Louisiana, a component unit of the St. Landry Parish Government, as of and for the years ended June 30, 2006 and 2005 and the supplementary schedule, as listed in the table of contents. These financial statements are the responsibility of the First Hospital Service District of the Parishes of St. Landry and St. Martin, State of Louisiana's management.

Our review was conducted in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards of Governmental Auditing Standards issued by the Comptroller General of the United States of America. A review consists principally of inquiries of First Hospital Service District of the Parishes of St. Landry and St. Martin, State of Louisiana's personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying basic financial statements in order for them to be in conformity with accounting principals generally accepted in the United States of America.

In accordance with the Louisiana Governmental Audit Guide and the provision of state law, we have issued a report dated November 27, 2006, on the results of our agreed-upon procedures.

First Hospital Service District of the Parishes of St. Landry and St. Martin, State of Louisiana has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The supplementary information accompanying the basic financial statements is presented only for supplementary analysis purposes and has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

Broussard, Poché, Lewis & Breau, L.L.P.

Lafayette, Louisiana
November 27, 2006

Members of American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

*A Professional Accounting Corporation

**FIRST HOSPITAL SERVICE DISTRICT
OF THE PARISHES OF ST. LANDRY AND ST. MARTIN**

**BALANCE SHEETS
June 30, 2006 and 2005
See Accountant's Report**

	<u>2006</u>	<u>2005</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,065,667	\$ 990,662
Rent receivable	26,498	28,035
Certificate of deposit	275,000	175,000
Accrued interest receivable	4,515	3,618
Prepaid expenses	1,794	1,794
Total current assets	\$ 1,373,474	\$ 1,199,109
PROPERTY, PLANT AND EQUIPMENT	<u>365,653</u>	<u>419,504</u>
Total assets	<u><u>\$ 1,739,127</u></u>	<u><u>\$ 1,618,613</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 171,837	\$ 171,837
Accrued expenses	8,542	10,938
Estimated third-party payor settlements	231,899	231,899
Total liabilities	<u>\$ 412,278</u>	<u>\$ 414,674</u>
NET ASSETS		
Invested in capital assets net of related debt	\$ 365,653	\$ 419,505
Unrestricted	961,196	784,434
Total net assets	<u>\$ 1,326,849</u>	<u>\$ 1,203,939</u>
Total liabilities and net assets	<u><u>\$ 1,739,127</u></u>	<u><u>\$ 1,618,613</u></u>

See Notes to Financial Statements

**FIRST HOSPITAL SERVICE DISTRICT
OF THE PARISHES OF ST. LANDRY AND ST. MARTIN**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Years Ended June 30, 2006 and 2005
See Accountant's Report

	2006	2005
Operating revenues:		
Lease income	\$ 81,480	\$ 81,930
Miscellaneous	259	-
Total operating revenues	\$ 81,739	\$ 81,930
Operating expenses:		
Depreciation	\$ 53,851	\$ 53,693
Administrative expenses	10,980	10,873
Repairs and maintenance	6,987	28,508
Office expenses	653	210
Insurance	13,507	13,214
Professional services	3,500	2,650
Miscellaneous	17	63
Total operating expenses	\$ 89,495	\$ 109,211
Operating loss	\$ (7,756)	\$ (27,281)
Nonoperating revenues:		
Ad valorem taxes	\$ 116,830	\$ 107,098
Interest income	13,836	11,587
Total nonoperating revenues	\$ 130,666	\$ 118,685
Increase in net assets	\$ 122,910	\$ 91,404
Net assets beginning of the year	1,203,939	1,112,535
Net assets end of the year	\$ 1,326,849	\$ 1,203,939

See Notes to Financial Statements

**FIRST HOSPITAL SERVICE DISTRICT
OF THE PARISHES OF ST. LANDRY AND ST. MARTIN**

**STATEMENTS OF CASH FLOWS
Years Ended June 30, 2006 and 2005
See Accountant's Report**

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from lessee	\$ 195,340	\$ 169,324
Payments to suppliers and contractors	(139,904)	(127,063)
Payments to employees	(10,200)	(10,100)
Net cash provided by operating activities	\$ 45,236	\$ 32,161
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	116,830	107,098
CASH FLOWS FROM CAPITAL AND RELATED FINANCING		
Payments for the purchase of property and equipment	-	(5,700)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificate of deposit	(100,000)	-
Interest income	12,939	12,122
Net cash provided (used) by investing activities	(87,061)	12,122
Net increase in cash and cash equivalents	\$ 75,005	\$ 145,681
Cash and cash equivalents at beginning of year	990,662	844,981
Cash and cash equivalents at end of year	\$ 1,065,667	\$ 990,662
 Reconciliation of operating loss to net cash provided by operations:		
Operating loss	\$ (7,756)	\$ (27,281)
Adjustments to reconcile net income (loss) to net cash provided by (used) by operating activities:		
Depreciation	53,851	53,693
(Increase) decrease in assets:		
Rent receivable	1,537	(2,583)
Prepaid expenses	-	366
Increase (decrease) in liabilities:		
Accrued expenses	(2,396)	7,966
Net cash provided by operating activities	\$ 45,236	\$ 32,161

See Notes to Financial Statements

FIRST HOSPITAL SERVICE DISTRICT
OF THE PARISHES OF ST. LANDRY AND ST. MARTIN

NOTES TO FINANCIAL STATEMENTS
See Accountant's Report

Note 1. Organization and Significant Accounting Policies

Organization:

The accompanying financial statements are presented for First Hospital Service District of the Parishes of St. Landry and St. Martin, State of Louisiana. The District, which is a political subdivision of the State, was created by an ordinance adopted by the Parish Governments for the purpose of serving the surrounding area of said parishes.

First Hospital Service District of the Parishes of St. Landry and St. Martin is considered a component unit of the St. Landry Parish Government for reporting purposes as provided in GASB Statement No. 14, *The Financial Reporting Entity*. The accompanying financial statements present only the First Hospital Service District of the Parishes of St. Landry and St. Martin and no component units.

The accompanying basic financial statements of the Hospital Service District have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In June 1999, the GASB unanimously approved Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis- for State and Local Governments*. GASB 34 established standards for external financial reporting for all state and local government entities, which include a balance sheet or statement of net assets, a statement of revenues, expenditures and changes in net assets, and a statement of cash flows utilizing the direct method of presentation. The statement requires the classification of net assets into four components-invested in capital assets, net of related debt; restricted expendable net assets; restricted nonexpendable net assets; and unrestricted net assets. *Net assets invested in capital assets net of related debt* consist of capital assets net of accumulated depreciation and reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. *Restricted expendable net assets* are non-capital net assets that must be used for a particular purpose, as specified by creditors, grantors, or contributors external to the Hospital Service District. *Restricted nonexpendable net assets* equal the principal portion of permanent endowments. *Unrestricted net assets* are remaining net assets that do not meet the definition of *invested in capital assets net of related debt* or *restricted*. These and other changes are reflected in the accompanying basic financial statements (including the notes to the financial statements).

The more significant accounting policies of the Hospital Service District are described below:

Operation:

Prior to October 19, 1990, the District operated a hospital for acute care services. In December 1990, the Hospital facility was leased to other health care providers.

Method of accounting:

The Hospital Service District utilizes the proprietary fund method of accounting whereby revenues and expenses are recognized on the accrual method. The Service District's accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the *Louisiana Governmental Audit Guide*, and the *Audit and Accounting Guide - Health Care Organizations*, published by the American Institute of Certified Public Accountants, and standards established by the Governmental Accounting Standards Board (GASB), which is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**FIRST HOSPITAL SERVICE DISTRICT
OF THE PARISHES OF ST. LANDRY AND ST. MARTIN**

**NOTES TO FINANCIAL STATEMENTS
See Accountant's Report**

Note 1. Organization and Significant Accounting Policies (Cont'd)

Cash and cash equivalents:

For purposes of reporting cash flows, the Hospital Service District considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Accounting standards:

Pursuant to Governmental Accounting Standards Board (GASB) Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting, First Hospital Service District has elected to apply the provisions of all relevant pronouncements of the Financial Accounting Standards Board (FASB), including those issued after November 30, 1989.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property, plant, and equipment:

The Hospital Service District records all property, plant and equipment acquisitions at cost, except for assets donated to the District. Donated assets are recorded at fair market value at the date of donation.

The District provides for depreciation of its plant and equipment using the straight-line method in amounts sufficient to amortize the cost of its assets over their estimated useful lives. Amortization expense on assets acquired under capital leases is included in depreciation expense of owned assets.

Equipment	5-10 years
Buildings	40 years

Operating revenues and expenses:

The Hospital Service District's statement of revenues, expenses and changes in net assets distinguishes between operating and non-operating revenues and expenses. Operating revenues result from rental activities, the District's principal activity. Non-exchange revenues, including taxes and investment income are reported as non-operating revenues. Operating expenses are all expenses incurred to provide for the operations of the rental activities.

Income taxes:

The Hospital Service District is a political subdivision and exempt from taxes.

Restricted resources:

When the Hospital Service District has both restricted and unrestricted resources available to finance a particular program, it is the District's policy to use restricted resources before unrestricted resources.

**FIRST HOSPITAL SERVICE DISTRICT
OF THE PARISHES OF ST. LANDRY AND ST. MARTIN**

NOTES TO FINANCIAL STATEMENTS
See Accountant's Report

Note 1. Organization and Significant Accounting Policies (Cont'd)

Environmental Matters:

First Hospital Service District is subject to laws and regulations relating to the protection of the environment. First Hospital Service District's policy is to accrue environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty, the potential financial impact of First Hospital Service District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of First Hospital Service District. At June 30, 2006, management is not aware of any liability resulting from environmental matters.

Note 2. Bank Deposits and Certificate of Deposit

At June 30, 2006, the carrying value (book value) of the Hospital Service District's cash deposits, including demand deposits and certificates of deposit, totaled \$1,340,667. These deposits are stated at costs, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. At June 30, 2006, the bank balances of these deposits totaled \$1,341,167. These deposits are secured from risk by \$200,000 of Federal Deposit Insurance Corporation (FDIC) coverage and \$1,141,167 was covered by collateral held by the Hospital Service District's agent in the District's name.

Note 3. Ad Valorem Taxes

First Hospital Service District's property tax is levied by the parish on the taxable real property in the district in late October of each year. Bills are sent out in November of each year at which time First Hospital Service District records the tax revenue, and become a lien in the following March. The collection period for First Hospital Service District's property taxes is from December (at which time they become delinquent) to the succeeding May.

Note 4. Leasing of Hospital

In 1996, the Board of Commissioners of First Hospital Service District of the Parishes of St. Landry and St. Martin entered into a lease agreement to lease the Hospital facility. The lessee pays \$4,500 monthly for 169 patient days, and \$15.00 per each additional patient day. Also included in the lease is the provision that the lessee is responsible to reimburse the District for utilities, general repairs, and upkeep. First Hospital Service District is responsible for the maintenance and repair of roofing, heating and air conditioning and any improvements to the parking lot. Lease revenue amounted to \$81,480 and \$81,930 for the year ended June 30, 2006 and 2005 respectively.

Note 5. Accounts Payable

Accounts payable consist of amounts due to a supplier and a management company that have not been settled as of June 30, 2006.

**FIRST HOSPITAL SERVICE DISTRICT
OF THE PARISHES OF ST. LANDRY AND ST. MARTIN**

**NOTES TO FINANCIAL STATEMENTS
See Accountant's Report**

Note 6. Property and Equipment

Property and Equipment additions, retirements, and balances for the years ended June 30, 2006 and 2005 were as follows:

	Balance June 30, 2005	Additions	Retirements	Balance June 30, 2006
Land	\$ 16,097	\$ -	\$ -	\$ 16,097
Buildings	1,468,172	-	-	1,468,172
Fixed equipment	137,089	-	-	137,089
Movable equipment	<u>338,043</u>	<u>-</u>	<u>-</u>	<u>338,043</u>
Total historical cost	<u>\$ 1,959,401</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,959,401</u>
Less accumulated depreciation for:				
Buildings	\$ (1,124,824)	\$ (44,449)	\$ -	\$ (1,169,273)
Fixed equipment	(77,839)	(9,363)	-	(87,202)
Movable equipment	<u>(337,234)</u>	<u>(39)</u>	<u>-</u>	<u>(337,273)</u>
Total accumulated depreciation	<u>\$ (1,539,897)</u>	<u>\$ (53,851)</u>	<u>\$ -</u>	<u>\$ (1,593,748)</u>
Total property and equipment, net	<u>\$ 419,504</u>	<u>\$ (53,851)</u>	<u>\$ -</u>	<u>\$ 365,653</u>

	Balance June 30, 2004	Additions	Retirements	Balance June 30, 2005
Land	\$ 16,097	\$ -	\$ -	\$ 16,097
Buildings	1,462,472	5,700	-	1,468,172
Fixed Equipment	137,089	-	-	137,089
Movable Equipment	<u>338,043</u>	<u>-</u>	<u>-</u>	<u>338,043</u>
Total historical cost	<u>\$ 1,953,701</u>	<u>\$ 5,700</u>	<u>\$ -</u>	<u>\$ 1,959,401</u>
Less accumulated depreciation for:				
Buildings	\$ (1,080,533)	\$ (44,291)	\$ -	\$ (1,124,824)
Fixed equipment	(68,477)	(9,362)	-	(77,839)
Movable equipment	<u>(337,194)</u>	<u>(40)</u>	<u>-</u>	<u>(337,234)</u>
Total accumulated depreciation	<u>\$ (1,486,204)</u>	<u>\$ (53,693)</u>	<u>\$ -</u>	<u>\$ (1,539,897)</u>
Total property and equipment, net	<u>\$ 467,497</u>	<u>\$ (47,993)</u>	<u>\$ -</u>	<u>\$ 419,504</u>

Depreciation expense for the years ended June 30, 2006 and 2005 amount to \$53,851 and \$53,693, respectively.

**FIRST HOSPITAL SERVICE DISTRICT
OF THE PARISHES OF ST. LANDRY AND ST. MARTIN**

**NOTES TO FINANCIAL STATEMENTS
See Accountant's Report**

Note 7. Estimated Third Party Payer Settlement

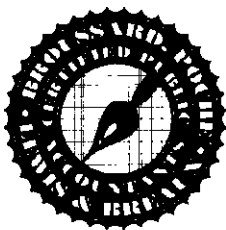
The Hospital Service District has Medicaid intermediary payable balances on cost reports from when the District operated a Hospital in the amount of \$231,899, which has not been settled as of June 30, 2006.

FIRST HOSPITAL SERVICE DISTRICT
OF THE PARISHES OF ST. LANDRY AND ST. MARTIN

SCHEDULES OF BOARD FEES
Years Ended June 30, 2006 and 2005
See Accountant's Report

Board Members

First Hospital Service District's board members did not receive any compensation during the years ending June 30, 2006 and 2005.



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Donald W. Kelley, CPA* 2005

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners
First Hospital Service District of the
Parishes of St. Landry and St. Martin
State of Louisiana
Arnaudville, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of First Hospital Service District of the Parishes of St. Landry and St. Martin and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about First Hospital Service District of the Parishes of St. Landry and St. Martin's compliance with certain laws and regulations during the year ended June 30, 2006 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures made during the year for materials and supplies exceeding \$20,000, or public works exceeding \$100,000.

**Code of Ethics for Public Officials
and Public Employees**

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management appeared on the list provided by management in agreed-upon procedure (2).

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Society of Louisiana Certified
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*A Professional Accounting Corporation

To the Board of Commissioners
First Hospital Service District of the
Parishes of St. Landry and St. Martin
State of Louisiana

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Not legally required to adopt a budget due to operate as enterprise fund.

6. Trace the budget adoption and amendments to the minute book.

Not legally required to adopt a budget due to operate as enterprise fund.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts of more than 5%.

Not legally required to adopt a budget due to operate as enterprise fund.

Accounting and Reporting

8. Randomly select six disbursements made during the period under examination and:

- (a) Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) Determine if payments were properly coded to the correct fund and general ledger account; and

All payments were coded to the proper account and fund.

- (c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the accountant and the chairman of the Board of Commissioners.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minutes book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Hospital Service District is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. Management has asserted that such documents were properly posted; however, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of banks, bonds, or like indebtedness.

We inspected all entries to the general ledger for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

To the Board of Commissioners
First Hospital Service District of the
Parishes of St. Landry and St. Martin
State of Louisiana

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advance, or gifts.

We inspected all payroll transactions and minutes for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

Our prior year report, dated December 12, 2005, did not include any comments or unresolved matters.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of First Hospital Service District of the Parishes of St. Landry and St. Martin and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Brunasad, Poche, Lewis : Breun, L.L.P.

Lafayette, Louisiana
November 27, 2006

**FIRST HOSPITAL SERVICE DISTRICT
OF THE PARISHES OF ST. LANDRY AND ST. MARTIN**

**SCHEDULE OF CURRENT YEAR FINDINGS
For the Year Ended June 30, 2006**

Nothing Reported.

FIRST HOSPITAL SERVICE DISTRICT
OF THE PARISHES OF ST. LANDRY AND ST. MARTIN

SCHEDULE OF PRIOR YEAR FINDINGS
For the Year Ended June 30, 2006

Section I: Internal Control and Compliance Material to the Financial Statements

N/A

Section II: Internal Control and Compliance Material to Federal Awards

N/A

Section III: Management Letter

There were no matters reported in a separate management letter for the year ended June 30, 2005.

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

June 27, 2006 (Date Transmitted)

Broussard, Poche', Lewis & Breaux, L.L.P.
Certified Public Accountants
P.O. Box 307
Crowley, LA 70527 (Auditors)

In connection with your review of our financial statements as of June 30, 2006 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of 7/18/06
(date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes ☒ No ☐

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes ☒ No ☐

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes ☒ No ☐

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes ☒ No ☐

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes ☒ No ☐

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes ☒ No ☐

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes ☒ No ☐

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

<u>Adolphus D. Mearns</u>	Secretary	<u>7/18/06</u>	Date
<u>Samuel L. Chuteau</u>	Treasurer	<u>7/18/06</u>	Date
<u>Lester J. Pouch</u>	President	<u>7/18/06</u>	Date